

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 75, consisting of sections numbered 15.2-7500 through 15.2-7510, relating to the Land Bank Authorities Act.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 75, consisting of sections numbered 15.2-7500 through 15.2-7510, as follows:

CHAPTER 75.

Land Bank Authorities Act.

§ 15.2-7500. Definitions.

"Act" means this Land Bank Authority Act.

"Board of Directors" or "Board" means the Board of Directors of a Land Bank Authority.

"Authority" means a land bank authority established under this chapter and in accordance with the provisions of this Act and pursuant to this Act.

"Real property" means lands, structures and any and all easements and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise, and any and all fixtures and improvements located thereon.

§ 15.2-7501. Creation of Land Bank Authorities by localities.

A. A locality may by ordinance, or two or more localities may by concurrent ordinances, create a Land Bank Authority, under an appropriate name and title, containing the word "Authority" which shall be a body politic and corporate. Other localities may join the Authority as provided in the ordinance or ordinances.

B. Each ordinance shall include the following:

1. The name of the Authority and the address of its principal office.

2. The name of each locality creating the Authority.

3. The purpose or purposes for which the Authority is created.

25 4. The names, addresses and terms of office of the initial members of the board of the Authority
26 and the length of terms for which they are to serve.

27 **§ 15.2-7502. Directors; qualifications; terms; vacancies compensation and expenses.**

28 A. Each Authority created hereunder, whether created by single or multiple localities, shall be
29 governed by a Board of not less than five members appointed by the governing body of the member
30 locality or localities. When an Authority is created by two or more localities, each shall appoint at least
31 two members, one of whom may be a member of the governing body. After initial staggered terms, the
32 term of office of all members shall be four years. When one or more additional localities join an existing
33 Authority, each of such participating localities shall have not less than two members on the Authority's
34 board. The first members shall be appointed immediately upon the admission of the locality into the
35 Authority in the same manner as were the first members of the Authority.

36 B. The members of the Board shall elect one of their number to serve as chairman and shall elect
37 a secretary and a treasurer who need not be members of the Board of the Authority. The offices of
38 secretary and treasurer may be combined. A majority of the members of the Authority shall constitute a
39 quorum and the vote of a majority of such quorum shall be necessary for any action taken by the
40 Authority. No vacancy in the membership of the Board of the Authority shall impair the right of a
41 quorum to exercise all the rights and perform all the duties of the Authority.

42 D. The localities that created or thereafter join the Authority, by ordinance or concurrent
43 ordinances, may provide for the payment of compensation to the members of the Authority and for the
44 reimbursement to each member of the Authority the amount of his actual expenses necessarily incurred
45 in the performance of that member's duties.

46 **§ 15.2-7503. Executive director; staff.**

47 The Authority may appoint an executive director, who shall be authorized to employ such staff
48 as necessary to enable the Authority to perform its duties as set forth in this chapter. The Authority is
49 authorized to determine the duties of such staff and to fix salaries and compensation from such funds as
50 may be received or appropriated.

The Authority may enter into contracts and agreements with a locality for staffing services to be provided to the Authority by the locality, or for the Authority to provide such staffing services to the locality.

§ 15.2-7504. Financial interests of Directors and employees prohibited.

No member of the Board or employee of the Authority shall acquire any interest, direct or indirect, in real property of the Authority, in any real property to be acquired by the Authority, or in any real property to be acquired from the Authority.

No member of the Board or employee of an Authority shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by an Authority.

The Board may adopt supplemental rules and regulations addressing potential conflicts of interest and ethical guidelines for members of the Board and Authority employees.

§ 15.2-7505. Powers of Authority.

A. The Authority shall have the power to:

1. Adopt, amend and repeal bylaws for the regulation of its affairs and the conduct of its business.

2. Sue and be sued in its own name and plead and be interpleaded in all civil actions, including, but not limited to, actions to clear title to property of the Authority.

3. Adopt a seal and to alter the same at pleasure.

4. Borrow money from private lenders, localities, the State, or from federal government funds, as may be necessary, for the operation and work of the Authority.

5. Procure insurance or guarantees from the Commonwealth or federal government of the payments of any debts or parts thereof incurred by the Authority, and to pay premiums in connection therewith.

6. Enter into contracts and other instruments necessary, incidental or convenient to the performance of its duties and the exercise of its powers.

7. Enter into contracts and other instruments necessary, incidental or convenient to the performance of functions by the Authority on behalf of localities or agencies or departments of

localities, or the performance by localities or agencies or departments of localities of functions on behalf of the Authority.

8. Make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the Authority.

9. Procure insurance against losses in connection with the real property, assets or activities of the Authority.

10. Invest money of the Authority, at the discretion of the Board, in instruments, obligations, securities, or property determined proper by the Board, and name and use depositories for its money.

11. Enter into contracts for the management of, the collection of rent from or the sale of real property of the Authority.

12. Design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, and otherwise improve real property or rights or interests in real property.

13. Fix, charge and collect rents, fees and charges for the use of real property of the Authority and for services provided by the Authority.

14. Grant or acquire a license, easement, lease, or option with respect to real property of the Authority.

15. Enter into partnership, joint ventures and other collaborative relationships with municipalities and other public and private entities for the ownership, management, development, and disposition of real property.

16. Do all other things necessary or convenient to achieve the objectives and purposes of the Authority or other laws that relate to the purposes and responsibility of the Authority.

B. The Authority shall neither possess nor exercise the power of eminent domain.

§ 15.2-7506. Acquisition of property.

A. The Authority may acquire real property or interests in real property by gift, devise, transfer, exchange, purchase, or otherwise on terms and conditions and in a manner the Authority considers proper.

B. The Authority may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts, land contracts, and pursuant to the sale of real property under Article 4 (§ 58.1-3965 et seq.) of Chapter 39 of Title 58.1.

C. The Authority may accept transfers or conveyances from a locality upon such terms and conditions as agreed to by the Authority and the locality. Notwithstanding any other law to the contrary, any locality may transfer or convey to the Authority real property and interests in real property of the locality on such terms and conditions and according to such procedures as determined by the locality.

D. The Authority shall maintain all of its real property in accordance with the laws and ordinances of the jurisdiction in which the real property is located.

§ 15.2-7507. Disposition of property.

A. The Authority shall hold in its own name all real property acquired by the Authority irrespective of the identity of the transferor of such property.

B. The Authority shall maintain and make available for public review and inspection an inventory of all real property held by the Authority.

C. The Authority shall determine and set forth in policies and procedures of the Board the general terms and conditions for consideration to be received by the Authority for the transfer of real property and interests in real property, which consideration may take the form of monetary payments and secured financial obligations, covenants and conditions related to the present and future use of the property, contractual commitments of the transferee, and such other forms of consideration as determined by the Authority to be in the best interest of the Authority.

D. The Authority may convey, exchange, sell, transfer, lease as lessee, grant, and release any and all interests in, upon or to real property of the Authority.

E. A locality may, in its ordinance creating an Authority:

1. Establish a ranking of priorities for the use of real property conveyed by an Authority including (i) use for purely public spaces and places, (ii) use for affordable housing, or (iii) use for retail, commercial and industrial activities, and such other uses and in such order as determined by the locality or localities.

2. Require that any particular form of disposition of real property, or any disposition of real property located within specified jurisdictions, be subject to specified voting and approval requirements of the Board. Except and unless restricted or constrained in this manner, the Board may delegate to officers and employees the Authority to enter into and execute agreements, instruments of conveyance and all other related documents pertaining to the conveyance of real property by the Authority.

§ 15.2-7508. Financing of operations.

A. An Authority may receive funding through grants and loans from the locality or localities that created the Authority, the Commonwealth, from the federal government, and other public and private sources.

B. An Authority may receive and retain payments for services rendered, for rents and lease payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses incurred, for income from investments, and for any other asset and activity lawfully permitted to an Authority under this Act.

C. Fifty percent of the real property taxes collected on real property conveyed by an Authority may be remitted to the Authority. Such allocation of property tax revenues shall commence with the first taxable year following the date of conveyance and may continue for a period of up to five years.

§ 15.2-7509. Exemption from taxes or assessments.

The Authority is hereby declared to be performing a public function on behalf of the locality or localities with respect to which the Authority is created and to be a public instrumentality of such locality or localities. Accordingly, the Authority shall not be required to pay any taxes or assessments upon any property acquired or used by the Authority under the provisions of this chapter.

§ 15.2-7510. Dissolution of Authority.

An Authority may be dissolved sixty calendar days after an affirmative resolution is approved by two-thirds of the membership of the Board. Sixty calendar days advance written notice of consideration of a resolution of dissolution shall be given to the foreclosing governmental unit or units that created the Authority, shall be published in a local newspaper of general circulation, and shall be sent certified mail to the trustee of any outstanding bonds of the Authority. Upon dissolution of the Authority, all real

property, personal property and other assets of the Authority shall become the assets of the locality or localities that created the Authority. In the event that two or more localities create an Authority, the withdrawal of one or more localities shall not result in the dissolution of the Authority unless the intergovernmental agreement so provides and there is no locality that desires to continue the existence of the Authority.

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